

TC PROFILE

I. BASIC PROJECT DATA

Country/Region:	Brazil / Region 1		
Program Name/ Number:	Support for the Amazon Protection System (SIPAM) / BR-T1014		
Team Leader/Members:	Team Leader: Helena Landázuri (RE1/EN1); Members: Rafael Acevedo-Duanas (RE1/FI1); Eduardo Figueroa (COF/CBR); Seth Binder (RE1/EN1) and Alicia E. Maldonado, (RE1/EN1).		
Date of Request¹:	April 6, 2004		
Beneficiary country	Brazil		
Executive Agency	Inter-American Development Bank (IADB)		
Financing plan:	Total estimated project amount:	US\$	1,000,000.00
	Amount to be financed by JCF – Japanese Trust Fund for Consultancy Services:	US\$	750,000.00
	Amount to be financed by the local counterpart:	US\$	250,000.00
Term of Execution and Disbursement:	18 and 24 months		
Technical and Basic Responsibility:	COF/CBR		
Tentative Dates:	Loan Committee/EVP: 03/24/05	PRE: 04/01/05	

II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 The Amazon basin's 6.5 million square kilometers is one of the planet's most biodiverse ecosystems, home to over two million species as well as the world's largest freshwater reservoir – approximately 20% of the planet's overall volume. The Amazon still holds one-third of all remaining rain forests on the face of the Earth. While it spans the territories of nine countries, approximately 85% of the region -- a total of 5.2 million square kilometers -- lies within Brazil. Brazil's share of the Amazon, known as "Legal Amazon", includes territories of the states of Acre, Amapá, Amazonas, Pará, Rondônia, Roraima, Mato Grosso, Maranhão, and Tocantins.
- 2.2 After centuries of disordered occupation and predatory exploitation of the region, in 1995 the Brazilian government introduced the Amazon Protection System (SIPAM) program. Present throughout Brazilian Amazonia at the federal, state and municipal level, SIPAM is a systemic organization of information gathering and dissemination, which includes a complex technological base and an integrated institutional network for knowledge management, protection, and sustainable human development in the region. The system

¹ A copy of the Letter of Request should be submitted with Profile.

of information is continually fed by electronic, satellite and human agents, gathering data from diverse sources. This data, in turn, is available to a network of more than nine hundred remote user terminals, eight aircraft, two hundred information-collecting platforms, and three hundred radio-transmitting systems, among others.

- 2.3 The Management and Operating Center of SIPAM (CENSIPAM) serves as the system's primary implementing and executing agency. CESIPAM was created in 2002 by the Civil Household of the Presidency of the Republic, to embrace the whole systemic organization of bodies acting in the Legal Amazon. SIPAM is further supported by a Deliberative Committee, in the formulation of guidelines for the implementation and enforcement of SIPAM as well as in its oversight and management, and by a National Committee for the Development of the Legal Amazon (CONAMAZ) for the formulation of policy; the latter is chaired by the Executive Secretary of the Civil Household of the Presidency of the Republic.
- 2.4 SIPAM's original mandate, which was to provide a more sophisticated infrastructure for policing the Legal Amazon, helping Brazil more effectively assert its sovereignty over the territory, has gradually shifted as times have changed. Today, SIPAM's mission is to "enhance the quality of life in the Amazon region and in Brazil by fostering the human and sustainable development in the largest and richest region of the planet." This change, however, still needs to be realized at the level of SIPAM's internal workings, systems and procedures, to adapt to this new mission. Equally important, SIPAM needs to generate products and services that would make it a useful link in the institutional and economic context of Amazonia, thus improving its chances of securing sufficient and reliable funding to continue its operations; currently, the system depends on the federal Fiscal Budget, which foresees an allocation of resources far below the system's necessities and subject to contingencies. The present operation would help SIPAM tailor itself to make efficient use of the considerable technological and informational arsenal it possesses, while becoming a potentially significant instrument for improved decision making for the whole of the Amazon region.

III. PROGRAM OBJECTIVE AND DESCRIPTION

- 3.1 The general objective of this Technical Cooperation is to equip SIPAM with a strategy to enhance and consolidate its financial sustainability and institutional and operational capacity, in order to improve the public management of Legal Amazon, with particular emphasis on environmental management (See Annex 1: Logical Framework).
- 3.2 Enables the incorporation of technological innovations, so as to make SIPAM competitive in its field of action.
 - a. To analyze and propose adjustments to the current organizational framework, with the aim of ensuring SIPAM's technical autonomy in terms of operation, maintenance, and monitoring of technological progress, with a view to: (i) rapidly promoting an operational and technological change for the fulfillment of its institutional mission, particularly in regard to environmentally sustainable development; (ii) promoting integration with other South American countries that make up the Amazon; and (iii) increasing conservation capacity.

- b. To analyze and propose adjustments to its operational and logistic capacity, taking into account the system's complexity, its spillover effect, and the territorial area it covers;
 - c. To prepare a Business Plan that: (i) accelerates and develops economic-financial administration, so as to reduce dependence on the Brazilian Government's fiscal budget; (ii) enhances the accessibility of services to the general population, the scientific community, Government, organized civil society, corporations, and other users; and (iii) enables the incorporation of technological innovations, so as to make SIPAM competitive in its field of action.
- 3.3 This Technical Cooperation will be developed in four phases: (i) Diagnosis of the technical-operational, administrative-financial and logistical frameworks of SIPAM/CENSIPAM, as well as of needs and opportunities in the Amazon Region; (ii) Strategic Planning: revision of SIPAM's Strategic Planning Program to make it compatible with the methods, processes and products developed by the TC; (iii) Elaboration of a Business Plan for the exploitation of identified opportunities in the Amazon Region; and (iv) Development of an Implementation Program for alternatives proposed in the Diagnostic studies.
- 3.4 The following specific products will be delivered as a result of this Technical Cooperation:
- a. Diagnostic studies (Component 1), including proposals of alternatives, for: the current organizational structure; current management and monitoring practices; the current financial situation; and potential sources of additional revenue, with particular attention to opportunities to internalize positive spillover effects.
 - b. An Implementation Plan (Component 2) for proposed organizational and operational changes aimed at achieving technical and operational autonomy. The plan will include a detailed timeline and cost estimates. A preliminary draft of the Implementation Plan shall be presented at a public workshop in order to receive feedback from relevant stakeholders and foster support for the plan amongst the same.
 - c. A Business Plan (Component 2) to guide future investments and partnerships in order to capitalize on opportunities to generate additional revenues and reduce dependence on the fiscal budget. The Business Plan will include a comprehensive strategy, timeline and cost estimates. A first draft of the Business Plan shall be presented at a second public workshop in order to receive feedback from relevant stakeholders and generate public support for the plan.
 - d. Periodic follow-up reports by CENSIPAM and COF/CBR on project execution, showing partial results and the consolidation of the accumulated result.

IV. COST AND FINANCING

- 4.1 The project's total cost will be US\$ 1,000,000 of which US\$ 750,000 will be financed with resources of the Japan Fund for Consultancy Services (JCF). Additionally, CENSIPAM will contribute resources in kind for the equivalent of US\$ 250,000, to cover technical coordination administrative support and logistical support.

- 4.2 The JCF contribution will cover the following items (see detailed budget on Annex II).

Use of JCF Contribution (in US\$)

		x month	# months	subtotal	Total
I.	CONSULTING FIRM (JCT)				750,000
A.	Consultant fees				451,400
A.1	International experts	9,000	27	243,000	
A.2	Local experts			208,400	
B.	Direct costs				261,200
B.1	Travel			126,200	
B.2	Information acquisition and dissemination			30,000	
B.3	Seminars, workshops			75,000	
B.4	Logistical support in the field			30,000	
C.	Contingencies (5%)				37,400

- 4.3 The project will be executed in a 18-month period. Maximum disbursement period will be 24 months.

V. EXECUTING AGENCY AND EXECUTION STRUCTURE:

- 5.1 The Bank will act as Executing Agency, according to requirements of the JCF. COF/CBR will have basic and technical responsibility. The Bank will coordinate project execution with CENSIPAM, headquartered in Brasilia.

VI. MAJOR ISSUES

- 6.1 The proposed program will have a direct relationship with many Bank operations, either for projects currently under execution or new pipeline operations. The data base information of the SIPAM system will be used in the preparation, supervision and monitoring of loans in SIPAM's area of influence. In addition, the operation of the system will be a useful tool for the development of the regional integration programs like IIRSA and the activities of the new Amazon Treaty Organization (OTCA).

VII. ACTION PLAN

- 7.1 Prior to approval and inception of the Technical Cooperation, the Beneficiary must update Terms of Reference for individual consultants to be hired, assigning specific roles and hiring criteria; and they must create a preliminary chronogram of activities to be undertaken.

VIII. ENVIRONMENTAL AND SOCIAL STRATEGY

- 8.1 No negative environmental or social impacts are anticipated as a result of this project. To the contrary, the project is expected to generate a number of positive social and environmental benefits. Directly, the project will enhance SIPAM's ability to provide high value-added data and information for activities involving project planning and development, environmental licensing and studies, and the monitoring of construction works.

**BRAZIL. Support for the Amazon Protection System (SIPAM)
BR-T1014**

LOGICAL FRAMEWORK

Descriptive Summary	Indicators	Means of Verification	Assumptions
<u>Goal</u>			
Public management of the Legal Amazon improved	TBD		
<u>Purpose</u>			
SIPAM strategically equipped to enhance and consolidate its financial sustainability and institutional and operational capacity	Business Plan approved	COF/CBR follow-up report	Investments outlined in Business Plan receive adequate financing
<u>Objectives</u>			
<i>Component 1</i> A. Technical-operational, administrative-financial and logistical frameworks of SIPAM diagnosed B. Needs and opportunities in the Amazon Region diagnosed	Diagnostic studies presented and approved	Beneficiary report	
<i>Component 2</i> SIPAM's Strategic Planning Program reviewed and updated to be compatible with the methods, processes and products developed by the TC	New Strategic Planning Program presented and approved	Beneficiary report	
<i>Component 3</i> Business Plan for the exploitation of identified (market and non-market) opportunities in the Amazon Region elaborated	Business Plan developed and presented	Beneficiary report	
<i>Component 4</i> Implementation Plan for selected alternatives suggested by the Diagnostic studies elaborated	Implementation Plan developed and presented	Beneficiary report	

JCT
Support SIPAM

Annex II

BUDGET
US Dollars

Items		xmonth	#months	subtotal	xunit	#units	subtotal	Total	JCT	Counterpart
I.	RESOURCES FROM JCT									
A.	International consultants (Consulting Firm)							359,000	359,000	
A.1	International experts							243,000		
	Amazon/tropical rail forest management sp.	9,000	4.0	36,000						
	Financial/Institutional expert	9,000	4.0	36,000						
	Strategic planning, complex systems	9,000	4.0	36,000						
	Business plan development expert	9,000	10.0	90,000						
	Implementation program expert	9,000	5.0	45,000						
A.2	Travel							116,000		
A.2.1	Tickets									
	Japan-Brasilia-Japan				3,000	10	30,000			
	Local tickets, international consultants				250	20	5,000			
A.2.2	Per diem international experts				100	810	81,000			
B.	Local consultants (hired by CENSIPAM)							218,600	218,600	
B.1	Local experts							208,400		
	General Coordinator	4,800	12.0	57,600						
	Thematic Managers (2)	3,000	24.0	72,000						
	Administrative Assistants (2)	1,200	24.0	28,800						
	Legal support	5,000	4.0	20,000						
	Accounting support	2,500	12.0	30,000						
B.2	Travel local experts							10,200		
B.2.1	Local Tickets				250	12	3,000			
B.2.2	Per diem				100	72	7,200			
C.	Direct costs							135,000	135,000	
C.1	Information acquisition and dissemination				10,000	3	30,000			
C.2	Seminars, workshops				25,000	3	75,000			
C.3	Logistical support in the field	2,500	12.0	30,000						
D.	Contingencies (5%)							37,400	37,400	
II.	CENSIPAM									
E.	Counterpart (in kind)							250,000		250,000
E.1	Technical supervision	4,200	12.0	50,400						
E.4	Technical support personnel (4)	3,000	48.0	144,000						
E.3	Administrative support personnel (2)	800	24.0	19,200						
E.4	Telecommunications	500	12.0	6,000						
E.5	Logistical support at headquarters	1,200	12.0	14,400						
E.6	Office space	1,000	12.0	12,000						
E.6	Office materials			4,000						
	TOTAL:							1,000,000	750,000	250,000